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DRAFT REPORT OF THE INTERGOVERNMENTAL PREPARATORY COMMITTEE ON ITS FIRST SESSION

New York, 24 - 28 July 2000

Rapporteur: Mr. R. T. Dogani (United Republic of Tanzania)

Addendum

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Chapter I

SUBSTANTIVE PREPARATIONS FOR THE CONFERENCE

(Agenda item 3)

(b) Assessment of progress in the implementation of the Programme of Action during the 1990s at the country level

1. The **representative of Lesotho** said that poverty reduction remained a key priority for his country. In that connection, he welcomed the agreement between the heads of the six core agencies during the Integrated Framework Meting on 6 July to integrate trade, trade-related technical assistance and capacity-building into national development strategies of LDCs through the World Bank Poverty Reduction Strategy Papers. There was a crucial need to ensure and enhance coordination among all stakeholders in the framework of the preparatory process for LDC III. It was also important to ensure support for the Trust Fund for trade-related technical assistance by all relevant agencies and at all levels.

2. The **representative of Korea** said that, despite improvements in their economic performance in recent years, many LDCs faced grave uncertainty about their development prospects in the new Millennium. The difficulties facing LDCs were multidimensional, and included political instability, natural and other disasters, and vulnerability to external shocks. The principle of shared responsibility embodied in the Programme of Action for the 1990s was still valid. LDCs should continue to do their part for their own development, particularly by undertaking macroeconomic and structural reforms. There were at least four components of national policy that could ensure sustainable growth: respect for democracy and market principles; determination to carry through tough socioeconomic reforms; consistent economic policy and transparency and accountability in policy-making. These conditions were essential to attract external resources. For their part, the development partners must provide the necessary support for the LDCs' domestic efforts.

3. The **representative of Yemen** said that his country was experiencing difficulties in securing funds during the preparatory process. Yemen has so far received no funding for the country-level preparation in spite of having taken a series of actions such as establishing the National Preparatory Committee (NPC) and preparing the national programme of action. Concerning future events, at the national level, a clear timeframe for the main events such as organization of workshops and roundtables should be specified. Finally, he inquired why Yemen had been omitted from the list of Asian LDCs in document A/CONF.191/IPC/10.

4. The **representative of France, speaking on behalf of the European Union**, took note of the good spirit of cooperation that existed between the LDCs, their development partners and the agencies of the United Nations system. This concept of partnership must continue, as it was fundamental for the success of the preparatory process and of the Conference itself. It was important to determine the outcome of the 1990s Programme of Action, as well as the prevailing situation, in order to be able to draw up a new Programme of Action that had the support of all, including the populations of the LDCs. The Programme of Action should be simple, so as to be able to be understood by those for whom it was made, and it must contain quantifiable objectives that could be seen and understood by all. The exercise must benefit from the different global Conferences that had been held as well as, at the country level, from the different studies and reports that had been prepared by various agencies. UNDP in particular should be more involved, as its development experience could benefit LDCs greatly.

5. The **representative of Turkey** said that foreign assistance should serve to promote domestic growth and long-term economic development and transformation, so that eventually the LDCs could reduce their dependence on aid. However, ODA was declining and a reversal of this trend was uncertain. Many LDCs had been unable to meet their debt obligations, and declining commodity prices were likely to reduce export earnings for many LDCs. Turkey was aware of the risk of further marginalization of LDCs in the globalizing world economic and trading system, and it had announced its intention to introduce additional preferential measures in favour of LDCs. Its decision to introduce duty-free treatment for more than 550 products originating in LDCs had been notified to the secretariats of WTO and UNCTAD. Finally, the Third Conference should identify the critical constraints which impeded the development of LDCs and indicate the appropriate policies and measures to overcome these constraints.

6. The **representative of Sudan** said that poverty reduction and eradication remained a top priority for all LDCs. He welcomed the preparatory work carried out by the secretariat and hoped that LDC III would be a turning point. Financial difficulties had arisen in the process of preparing country-level programmes of action, and UNCTAD should assist in identifying a solution to the financial problem. He stressed the importance of ensuring coherence between the policies of the World Bank, IMF and the WTO. He referred to the necessity of streamlining the integration of LDCs in the multilateral trading system, especially those 19 LDCs which had not yet joined the WTO.

7. The **representative of Kenya** said that monitoring and coordination were crucial to implementation. LDCs required new financial resources for capacity-building and infrastructural development, and this would help to remove constraints, promote growth and reduce poverty. Trade barriers should be removed to improve market access, and LDCs should implement conducive macroeconomic policies. NGOs and the private sector should be given the support they required.

8. The representative of the **United States of America** underlined the importance of the issues discussed at the meeting, and noted that the preparations for LDC III provided a useful opportunity to enhance the dialogue in the international community about supporting the most disadvantaged countries. He referred to the diversity of national and international constraints faced by the LDCs and the impact of these constraints on the countries. He noted that the causes of poverty in the LDCs differed greatly from one country to another. They could involve structural handicaps or socio-political instability. He called for further work to analyse these constraints and formulate responses in the context of the upcoming Conference.

9. The **representative of China** recognized that LDCs faced many difficulties in their socio-economic development, and they had been further marginalized in the process of economic globalization. Most of them were almost completely ignored by transnational corporations. The international community must therefore increase its support for this group of countries, and it should honour past commitments with respect to aid, debt and trade. China itself made considerable efforts to support the LDCs, and the international community as a whole should be prepared, in the context of LDC III, to assist the LDCs in the implementation of their national programmes of action.

10. The **representative of Guinea** said that the Plan of Action for the 1990s had been forgotten, as no follow-up mechanism had been put in place. In order to avoid the mistakes of the past, it would be important to make sure that resolutions were implemented; the document was understood by all, and that donor countries honoured their commitments, as LDCs could do nothing without ODA. There must be a balance between domestic activities and external funding commitments.

11. The **representative of Canada** said that the difficulties faced by the LDCs in their endeavours to implement the Programme of Action for the 1990s had several causes, including the problem of ownership. It was therefore clear that the LDCs must feel that the preparatory work for the Conference was their work in the first place and the Programme of Action was their Programme. The new Programme should be prepared on the basis of what existed in order to avoid the preparation of a "parallel plan" that would lead nowhere. Canada believed that the focus should be on the reduction of poverty, and that a balance should be struck between domestic preoccupations and external concerns. The Programme should reflect internal problems and should also contain external commitments. It was the interaction between internal and external issues that would govern the success of the implementation of the Programme of Action.

12. The **representative of ESCAP** proposed that the new Programme of Action establish an institutional monitoring mechanism whereby governments, the regional commissions and the United Nations agencies could monitor activities on an ongoing basis, in order to ensure the smoother implementation of the Programme of Action. ESCAP, along with UNDP, the World Bank and other international organizations would be happy to participate in monitoring and implementation activities.

13. The **Executive Secretary of LDC III**, responding to issues raised, indicated that her Office had coordinated the preparatory process for LDC III at the regional level through activities of regional coordinators for English-speaking African LDCs, French-speaking African LDCs, and Asian and Pacific LDCs. Members of the High-level Panel had visited both LDCs and donor countries.